



## Clearly Communicating Changes to Our Salary Structure

**Q:** We are a large company that is revamping how we administer our salary plan. How should we communicate any changes to our employees?

--- Money Talk, pay & benefits advisor, financial services, Ontario, California.

**A:** The short answer is to be upfront with them. While your question is not specific as to whether you are planning negative or positive changes, it is nevertheless critically important that you inform your employees concerning as much of the detail as you can share. If major changes will occur, and you don't tell employees about them, then they will make up stories about what you are really trying to do.

Once the rumor mill gets going in full force, it's hard to stop. These stories will be wild, but in the absence of information a huge amount of misinformation will fill the vacuum. The result is overreaction. The company runs the risk of increased turnover, and your high performers are the ones who will generally jump ship if they feel that it is sinking.

Determining what and how to effectively communicate can be daunting. Start with a detailed communication plan, and in doing so consider:

- What are the critical business changes driving these changes?
- When are the compensation plan changes occurring?
- Who are the audiences that need to be aware of these changes? (Chances are, there are several different audiences for pay plans.)
- What does each audience (managers, employees, others) need to know and understand about the changes?
- What do managers and employees need to do differently as a result of the program changes?

In your meetings, make sure you devote enough time for questions and answers.

The key to communication is to build employee understanding of, not necessarily agreement with, the changes you are making. If the changes are going to have a particularly negative effect, then achieving a level of acceptance with employees probably should not be a goal of the communication, while it may be an important goal with managers.

Provide specific information that is factual, has an underlying business rationale and clarifies your key messages. This includes the effective date of the change, what you expect employees and especially managers to do differently, and how managers and employees can get answers to questions.

Tell them upfront what you are trying to accomplish. This fills any information void and helps ensure your message is delivered successfully, and with a minimum of "water cooler" disruption to the business.

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